

# City of Tuscaloosa

COUNCIL  
BOBBY E. HOWARD  
*District 1*  
HARRISON TAYLOR  
*District 2*  
*President Pro Tem*  
CYNTHIA LEE ALMOND  
*District 3*




WALTER MADDOX  
*Mayor*

COUNCIL  
LEE GARRISON  
*District 4*  
KIP TYNER  
*District 5*  
BOB LUNDELL  
*District 6*  
WILLIAM TINKER  
*District 7*

## MEMORANDUM

To: Tuscaloosa City Council Members

From: Walter Maddox, Mayor 

Re: Quarterly Budget Report: General Fund and Water/Sewer

Date: February 24, 2009

I have reviewed the General Fund and Water and Sewer Fund revenues and expenditures for the first 4½ months of the 2009 fiscal year (October 1 to February 14) with the department heads and Finance Department representatives. Although we focused on all line item expenditures, we placed particular interest to those that exceeded 38 percent of the 2009 fiscal year operating budgets for the General Fund and the Water and Sewer Fund. Below are my findings and recommendations:

1. The City Sales Tax collections for December sales were 14 percent less than compared with the same month of the previous year. The collections for the first four months of the 2009 fiscal year are almost 5 percent below the previous year. The City's share of the County Sales Tax for the first five months of the 2009 fiscal year is still slightly ahead of last year. We anticipate that the Business License and Ad Valorem Tax collections will reach the 2009 projections. On the expenditure side, the Auto Fuel budgets are based on \$4 per gallon for regular fuel and we are currently paying under \$2 per gallon. Due to these considerations, we still predict that our 2009 revenues will exceed expenditures, but we will be closely monitoring the major revenue sources and the expenditures each month.
2. We expect the annual General Fund transfer to the General Fund RFFI for the 2008 fiscal year to be at least \$2,600,000, assuming that the annual legal letter from the Office of the City Attorney does not reflect any legal liabilities that must be recognized as expenditures. Beginning this fall, the City Board of Education must begin repaying the \$6,700,000 loan to the City which will be paid into the General Fund RFFI.

3. An improved method of calculating the Water and Sewer Fund's transfer to the Water and Sewer RFFI for \$1,200,000, assuming no additional legal liabilities must be recorded. Hopefully this new method will give us a more realistic amount to transfer from year to year.

Please call me or the Finance Department staff if you have any questions.

c: All Department Heads